June 7, 2012

RE: Comments on Senate Bills 1057-1062, House Bills 4302, 4969-4970, as amended

Thank you for the opportunity to provide input on this Senate and House bill package before the Senate Natural Resources, Environment, and Great Lakes Committee. Below are our thoughts.

SB 1058 and 1062—MUCC supports these bills in concept. They both encourage agriculture landowners to consider the benefits of managing the forested areas of their properties.

SB 1061—**MUCC supports this in concept**, and encourages the joint activities to focus on the aspects of forest industry and rural development rather than timber supply and management.

SB 1060 as introduced (similar to HB 4302 (H-3) also before your committee)—This bill is a critical change to the Qualified Forest Program recapture tax that could and should be moved, even if independent of the other bills in this package. The tax recapture has been identified as a major barrier to landowners enrolling in the program. **MUCC fully supports this bill** and again, would even encourage moving this now, even if there is further discussion on the remainder of the package.

HB 4969 (S-1)—Support this bill in concept with a suggested amendment.

- While some of our members remain concerned about increasing the minimum acreage for new Commercial Forest Act (CFA) to 160 acres, due to the potential impact on lands open to public hunting and fishing and the possibility of commercial level harvest on smaller parcels with higher value timber, we understand that there are many interests that must be considered in this discussion.
- Page 2, line 5: We encourage an amendment to grandfather in the PARCEL of land rather than the OWNER as long as the land is otherwise in compliance with this part. This will allow for the land to be managed as CF and continue to accessible for hunting and fishing, no matter if there is a change in ownership.

SB 1059 (S-1)—Qualified Forest Property Act, suggested amendments

- Page 2: lines 8-18: strike acreage cap or increase it significantly.
 - There may be considerable acreage rolling over from CFA to QFP given the change to the minimum acreage in HB 4969 (S-1) and interest from other landowners now that the overall QFP program is more desirable for landowners. We shouldn't hamper this by creating an arbitrary cap.
 - o Recommend striking it all together or increasing it to 3 million acres or more.

- Page 13-14: Forest management plan should REQUIRE a harvest, scheduled within the first 30-40 years of enrollment based on the plan. Otherwise, there is no specific incentive to move timber to the market. See HB 4969 (H-3 as passed by the House) for suggested language on page 23, line 4 (k).
- Page 16: We support this definition of Qualified Forester. We suggest adding "or other Forester as designated by the Department" just in case there is a need for further additions/categories we might not foresee.
- Missing authority to audit/enforce program: The Department or local CD should have authority to follow up on complaints, audit landowners for compliance with the law/plan etc. There must be penalties/accountability for not following the management plan without good cause, building structures that are not allowed, failure to notify etc. See HB 4969 (H-3 as passed by the House) for suggested language on page 19, line 4-23.

In general, we would prefer keeping the management of the Qualified Forest Program within the Department of Natural Resources for consistency in administration of this act with the Commercial Forest Act, State Forests, and cooperation with the National Forests as well as wildlife and fisheries management.

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